Government House Foundation

Financial Statements

March 31, 2011

Provincial Auditor Saskatchewan

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SASKATCHEWAN

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Government House Foundation, which comprise the statement of financial position as at March 31, 2011, and the statement of operations and accumulated surplus and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government House Foundation as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Bonnie Lysyk

Regina, Saskatchewan
June 16, 2011

Bonnie Lysyk, MBA, CA•CIA
Provincial Auditor

GOVERNMENT HOUSE FOUNDATION
Statement of Financial Position
As at March 31, 2011
(in dollars)

	2011	2010
Financial Assets		
Cash due from General Revenue Fund (*note 3*)	110,056	147,187
Grants receivable	-	300,000
Interest receivable	316	75
Pledges receivable (*note 4*)	-	10,000
Total Financial Assets	110,372	457,262
Liabilities		
Accounts payable and accrued liabilities	49,472	241,262
Deferred revenue (*note 5*)	18,983	51,455
Total Liabilities	68,455	292,717
Net Financial Assets	41,917	164,545
Accumulated Surplus	41,917	164,545

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2011
(in dollars)

	Annual Budget (*note 9*)	2011	2010
Revenue			
Grant (*notes 7 & 8*)	-	23,000	800,000
Donations and pledges	15,000	-	1,000
Restricted contributions (*note 5*)	41,250	32,472	-
Food service	2,500	3,626	-
Interest	1,000	1,351	1,066
Total Revenue	59,750	60,449	802,066
Expense			
Food service	2,500	4,621	-
Meetings	300	53	222
Printing and courier	300	252	323
Total Operating Expense	3,100	4,926	545
Excess of revenue over operating expenses	56,650	55,523	801,521
Contribution towards construction (*note 6*)	-	-	(877,876)
Government House Revitalization Project (*note 7*)	(124,324)	(134,425)	(18,176)
Use of restricted contributions (*note 5*)	(32,250)	(32,472)	-
Youth Mentorship Program (note 8)	(9,000)	(11,254)	-
Deficit	(108,924)	(122,628)	(94,531)
Accumulated Surplus, Beginning of year	164,545	164,545	259,076
Accumulated Surplus, End of Year	55,621	41,917	164,545

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Cash Flow
For the year ended March 31, 2011
(in dollars)

	2011	2010
Operating Activities		
Deficit	(122,628)	(94,531)
Decrease (increase) in receivables	309,759	(290,000)
Decrease in accounts payable and accrued liabilities	(191,790)	(170,970)
(Decrease) increase in deferred revenue	(32,472)	32,250
Cash Used for Operating Activities	(37,131)	(523,251)
Decrease in Cash	(37,131)	(523,251)
Cash, beginning of year	147,187	670,438
Cash, End of Year	110,056	147,187
Cash consists of:		
Cash due from General Revenue Fund	110,056	147,187

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2011

1. Authority

The Government House Foundation (Foundation) was established on January 21, 2002 by The Government House Foundation Regulations and falls under the authority of *The Historic Properties Foundations Act*. Government House was designated as a Provincial Heritage Property on August 26, 1981.

The mandate of the Foundation is:

a) To preserve and enhance the Government House; and

b) To promote public awareness of:

- the character, setting and decor of the Government House;
- the historic and cultural values of the Government House;
- the significant events in the governance of Saskatchewan; and
- the history of Saskatchewan generally.

Funding for the Foundation is obtained primarily through gifts, grants, bequests, donations and interest revenue.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Canadian Public Sector Accounting Board. A statement of net debt has not been prepared as the information is readily determinable from the other statements. The following accounting policies are considered significant:

a) Revenue

Grants

Government grants are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received by the Foundation. Donations-in-kind are recorded at fair market value on the date of their donation.

Pledges are recorded as revenue when written pledge documents are received by the Foundation and there is a commitment to pay prior to the next year-end.

Restricted contributions

Externally restricted contributions are deferred and recognized as revenue in the year expenses are incurred for the specified purpose.

Food Service

During the year the Foundation supported a food service program at Government House known as the "Butler's Pantry". The program was operated on a cost recovery basis and revenue is recognized as received.

Interest revenue

Interest revenue is recorded in the year received or receivable.

b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

c) Fair Value

The Foundation's financial instruments include cash due from the General Revenue Fund, grants receivable, interest receivable, pledges receivable, accounts payable and accrued liabilities. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

3. Cash Due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation earns interest on a quarterly basis, calculated on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for the year was 0.80% (2010 – 0.27%).

4. Pledges Receivable

All pledges receivable have been received by the Foundation.

5. Externally Restricted Contributions

Deferred revenue represents funds donated by Cameco to be used for youth programming at Government House and funds donated by the Celebrate Canada Committee to be used for Canada Day celebrations.

(in dollars)	2011	2010
Deferred revenue, beginning of year	51,455	19,205
Celebrate Canada donation		32,250
Use of Celebrate Canada funds	(32,472)	
Deferred revenue, end of year	18,983	51,455

In 2010 funds were used for youth programs and activities at Government House during the Canada Day Celebrations.

6. Contribution Towards Construction

Construction was completed on the Edwardian Gardens in the 2010 fiscal year on the final phase of the Government House Centennial Project. The Project was funded through donations raised for the Government House Centennial Project and Urban Development Grants of $1.1 million.

7. Government House Revitalization Project

In the 2009-10 fiscal year the trustees approved the use of funds from the Government House Centennial Project to engage a consultant to assist in the revitalization of Government House. This project was announced on February 3, 2009 and will address the question of why visitors should come to Government House, ensuring representation of the past/present/future of Government House in a fun and educational environment that holds appeal for all generations. The Foundation has also received grant funding from the Office of the Provincial Capital Commission to assist in travel costs of the project.

8. Youth Mentorship Program

During the 2008-09 fiscal year the trustees approved support of the Youth Mentorship Program which is administered by the Office of the Provincial Capital Commission. The Program provides northern students the opportunity to travel to the Capital city and participate in a number of learning ventures not normally available to them. This program is funded through grants from the Ministry of Education, and the Ministry of First Nations and Métis Relations.

9. Budget

The 2010/11 budget was approved at the Annual General Meeting by the Board of Trustees on June 24, 2010.

10. Related Party Transactions

The Foundation is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan; Saskatchewan Crown agencies; non-Crown enterprises that the Government jointly controls or significantly influences; and trustees and their corporations over which they have significant control. The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Provincial Sales Tax to the Saskatchewan Ministry of Finance is included in the cost of the related purchases.

The Office of the Provincial Capital Commission provided administrative services at no charge to the Foundation.

(in dollars)	**2011**	**2010**
Interest receivable	316	75
Accounts payable and accrued liabilities	-	223,088
Grant revenue	23,000	-
Interest revenue	1,351	1,066
Contribution towards construction	-	877,876